

Date: April 13, 2016

To: Thomas J. Bonfield, City Manager

From: Donald M. Long, Solid Waste Management Director

Through: W. Bowman Ferguson, Deputy City Manager

Subject: Amendment #3 to the Contract Between the City of Durham and King Management, LLC for Management of the City Owned Yard Waste and Compost Facility

Executive Summary

In May 2010 the City of Durham and King Management, LLC (formerly King & Martin Properties, LLC) entered into a contract for the management of the City owned yard waste and compost facility for an initial period of two (2) years. The contract included provision for three (3) additional contract extensions of two (2) years each for a total of eight (8) years. The first contract extension expired on May 13, 2014. The second contract extension will expire on May 13, 2016 but has a renewal option for one (1) additional two (2) year term. The City and the Contractor have agreed to an extension.

The City and King Management have developed a positive working relationship. The services that this contractor provides are vital to the successful waste reduction efforts that the Solid Waste Department has undertaken.

Recommendation

That City Council authorize the City Manager to execute Amendment #3 for the Management of the City Owned Yard Waste and Compost Facility Contract between the City of Durham and King Management, LLC for two additional years at a cost not to exceed \$273,156 per year.

Background

The City's current yard waste composting facility (YWCF) opened in January 2010. In May 2010, King Management, LLC was selected as the City's Contractor to operate the YWCF for a period of two years. The YWCF is used by the Contractor as a storage and transfer point for yard waste. The Contractor comes to the site and grinds the accumulated yard waste in accordance with the schedule allowed by the North Carolina Department of Environmental Quality ("NCDEQ") permit. Upon completion of grinding, the material is removed from the site and taken to a location of the Contractor's choice for other use that meets the requirements of NCDEQ regulations.

The continued grinding and removal of yard waste debris is a vital service to the City of Durham and the community. Not only does it ensure that excessive yard waste is not accumulated and stored at the

facility, which would be a potential safety hazard, it also assists in meeting the City's waste reduction goals.

Issues/Analysis

The Solid Waste Management Department recently completed a Waste Characterization Study which identified and included a re-evaluation of yard waste materials entering the City's YWCF. This proposed contract amendment to extend the current contract for an additional two (2) years, will allow the City time to analyze the recommendations of the study and identify new management options for organic materials in an effort to increase waste diversion.

Alternatives

One alternative is to not extend the current contract. This option is not considered a viable option because it will prohibit the City from managing yard waste within the rules specified by the NCDEQ permit due to the lack of proper equipment and training. This would have a serious impact on the City's ability to collect residential yard waste, thereby substantially increasing the potential for citations and fines from NCDEQ, as yard waste is banned from landfilling in North Carolina. This option would also negatively impact the environment and decrease the diversion of waste from disposal.

Financial Impacts

The Solid Waste Department included the cost of this contract extension in its budget request for FY 17.

SDBE Summary

Not applicable.

Attachments

Contract Amendment #3